



2 February 2015

Australian Securities Exchange

High Peak Royalties acquires Strategic Stake in Royalco Resources Limited (ASX:RCO)

High Peak Royalties Limited (**High Peak Royalties**) (ASX: HPR) is pleased to announce it has acquired a strategic 19.99% shareholding in ASX-listed royalty company Royalco Resources Limited (**Royalco**, ASX: RCO).

Royalco holds a collection of royalty interests across Australia and overseas with its key royalty interest being a 1% interest in the Weeks Petroleum Royalty (which is a 2.5% overriding royalty covering all production from the world class Bass Strait fields in the Gippsland Basin jointly owned by ExxonMobil and BHP Billiton).

The acquisition of the strategic stake in Royalco is consistent with High Peak Royalties' strategy of gaining exposure to attractive royalty interests and complements High Peak Royalties' existing portfolio of oil and gas royalties covering 23 producing areas and high potential exploration areas in Australia, the United States and the Seychelles.

High Peak Royalties' shareholding in Royalco provides an indirect exposure to 19 oil and/or gas production permits in the Gippsland Basin operated by ExxonMobil. The permits currently supply 40% of the East Coast of Australia's gas demand and should be a beneficiary of rising LNG demand. Royalco received \$852,792 in royalty payments in calendar year 2014 from its 1% interest in the Weeks Petroleum Royalty.

The holding of 10,540,000 shares was purchased from LSE-listed royalty company Anglo Pacific Group PLC (LON: APF) at A\$0.20 per share for a total value consideration of A\$2.1M which will be funded from existing cash reserves.

High Peak Royalties has no current intention to materially increase its shareholding in Royalco, but does reserve the right to review the level of its shareholding in the future.

A Form 603 – Notice of Initial Substantial Shareholding has been lodged with Royalco and is attached to this announcement.

The acquisition was arranged and executed by Argonaut.

For further information please contact:

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Chief Executive Officer
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About High Peak Royalties:

High Peak Royalties is Australia's leading oil and gas royalty company, with exposure to royalties covering 24 producing areas and high potential exploration areas in Australia, the United States and the Seychelles. High Peak's royalty portfolio covers production, development and exploration projects and features high quality project operators, including some of the world's leading oil and gas companies.

The company's portfolio includes;-

Permit / Location	Royalty Interest (%)	Operated By
PL 171 and ATP 574P	2.50	Queensland Gas / BG Group
ATP 299P Petroleum Leases: PL29, PL38, PL39, PL52, PL57, PL95, PL169, PL170, PL293, PL294, PL295 and PL298	3.6/4.0	Santos
Peat Gas Field (PL101)	2.13	Origin Energy
Surprise Oil Field (PL6)	1.00	Central Petroleum
Longtom Gas Field (VIC/L29 and VIC/P54)	0.30	Seven Group Holdings
WA-314-P	0.10	Karoon Gas
WA-315-P	0.10	ConocoPhillips
EP(A)111, EP115, EP(A)120 and EP(A) 124	1.00	Central Petroleum
EP112, EP115NM and EP125	1.00	Santos
PEL512	1.30	Discovery Energy
WA-482-P	0.20	Apache Corporation
Seychelles (PEC-5B/1, PEC-5B/2 and PEC-5B/3)	0.04	Ophir Energy
WA-EP468	2.00	Paltar Petroleum
EP156 and EP(A)155	2.00	Mosman Oil and Gas
United States (East Texas, Permian and Texas Gulf Coast Basins)	0.20 to 0.40	Sabine Oil and Gas, Pioneer Natural Resources and Wagner Oil Company
Weeks Petroleum Royalty (Gippsland Basin) indirect interest via 19.99% shareholding in Royalco Resources (ASX: RCO)	0.005	ExxonMobil

Form 603Corporations Act 2001
Section 671B**Notice of initial substantial holder****To** Company Name/Scheme **Royalco Resources Limited**ACN/ARSN **096 321 532****1. Details of substantial holder (1)**Name **High Peak Royalties Limited**ACN/ARSN (if applicable) **ABN 79 118 065 704**The holder became a substantial holder on **30/01/2015****2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary Shares	10,540,000	10,540,000	19.99%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
High Peak Royalties Limited	Fully Paid Ordinary Shares	10,540,000 Ordinary Shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
High Peak Royalties Limited	High Peak Royalties Limited	High Peak Royalties Limited	10,540,000 Ordinary Shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
High Peak Royalties Limited	30th January 2015	\$2,108,000.00	nil	10,540,000 Ordinary Shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

N/A	N/A
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7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
High Peak Royalties Limited	C/- AEW Capital Pty Ltd Exchange Level 17 2 The Esplanade PERTH WA 6000

Signature

print name **Jarrold Travers White** capacity **Company Secretary**

sign here  Date **02/02/2015**

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.